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*Attorneys for the United States of America*

**IN THE UNITED STATES DISTRICT COURT  
FOR THE TERRITORY OF GUAM**

UNITED STATES OF AMERICA,  
  
Plaintiff,

vs.

FLORES POULTRY FARM, INC.;  
FRED D. FLORES (a/k/a ALFRED SAN  
NICOLAS FLORES); ESTER DUENAS  
FLORES; ROY P. DUENAS; LUCILLE  
F. LEON GUERREO; and MAY D.  
HANNAH (a/k/a MAY D. WILSON a/k/a  
MAY D. FLORES),

Defendants.

CIVIL CASE NO. 19-00136

**COMPLAINT FOR JUDGMENT ON  
FORECLOSURE**

COMES NOW the Plaintiff, UNITED STATES OF AMERICA, on behalf of its agency,  
the U.S. Department of Agriculture, Farm Service Agency f/k/a Farmers Home Administration  
("FSA"), by and through its undersigned attorneys, and hereby states and alleges as follows:

**JURISDICTION AND VENUE**

1. This Court has jurisdiction of the action pursuant to 48 U.S.C. § 1822 and 28  
U.S.C. § 1345. The United States of America is the Plaintiff and the loans to Flores Poultry  
Farm, Inc., Fred D. Flores (a/k/a Alfred San Nicolas Flores) ("Mr. Flores") and Ester Duenas

1 Flores (“Mrs. Flores”) (collectively, “Defendants”) were issued under 7 U.S.C. § 1921 *et seq.*,  
2 the Consolidated Farm and Rural Development Act.

3 2. Upon information and belief, Defendants, have at all times relevant herein resided  
4 on Guam and are within the jurisdiction of this Court.

5 3. Upon information and belief, Defendant Flores Poultry Farm, Inc., is a business  
6 that at all times relevant herein has conducted business on Guam and is within the jurisdiction of  
7 this Court.

8 4. Upon information and belief, Mr. and Mrs. Flores are the “borrowers” of this  
9 loan. Co-debtors on this loan are Lucille F. Leon Guerrero, May D. Hannah (a/k/a May D.  
10 Wilson a/k/a May D. Flores), and Roy P. Duenas.

11 5. Venue is proper under 28 U.S.C. § 1391(a) in that the real property collateral,  
12 which is the subject matter of this complaint, is located in Inarajan, Guam, District of Guam.

13 **GENERAL ALLEGATIONS**

14 6. Upon information and belief, the real property secured in this matter is located on  
15 Guam.

16 7. Defendants, for value received, made, executed and delivered to Plaintiff a  
17 promissory note on October 7, 1985, for \$329,709.47, from the Farmers Home Administration,  
18 United States Department of Agriculture. The Farmers Home Administration was the  
19 predecessor to the Farm Service Agency, the current holder of the note. A copy of said original  
20 promissory note is attached as Exhibit 1 and incorporated herein as if fully set forth.

21 8. As part of the security for the note, Defendants made, executed, and delivered to  
22 Plaintiff a Real Estate Mortgage for Guam with Assignment of Rents, signed and executed on  
23 October 8, 1985. A copy of said original Mortgage is attached as Exhibit 2 and incorporated  
24 herein as if fully set forth.

1           9.     The United States' security interest was perfected by filing a Mortgage with the  
2 Guam Recorder's Office. *See* Exhibit 2 at 4 (stamp of Guam Department of Land Management,  
3 Instrument Number 368527).

4           10.    Flores Poultry Farm, Inc. is legally described as:

5                   Lot No. 276, Inarajan, Guam, Estate No. 55205, Suburban, as said lot is  
6                   marked and designated on Drawing No. L-4-76-87, dated: May 14, 1976  
7                   and recorded in the Department of Land Management Government of  
8                   Guam on December 21, 1977 under Document No. 287074. Area: 305,790  
9                   Square Meters.

10                  Certificate of Title No. 60991

11           11.    The security interest attaches to the Flores Poultry Farm, Inc., as more particularly  
12 described in Exhibit 2 at 2, inclusive of "all rights, interests, easements, hereditaments and  
13 appurtenances..."

14           12.    The United States, acting through the FSA, has been and now is the lawful owner  
15 and holder of the promissory note and mortgage in Exhibits 1 and 2.

16           13.    The Defendants have made no payments whatsoever of principal or interest on the  
17 note since January 2014.

18           14.    The account was accelerated on December 24, 2015, with notification to Flores  
19 Poultry Farm, Inc., care of May D. Hannah. Attached as Exhibit 3.

20           15.    The account was again accelerated on July 3, 2018, with notices to Flores Poultry  
21 Farm, Inc., the estates of the co-debtors, and to each of the remaining co-debtors. Attached as  
22 Exhibit 4.

23           16.    FSA states that all required administrative and servicing actions have been  
24 completed, and all required notices have given to the Borrowers.

          17.    Indebtedness under the notes, including principal, interest, and expenses, is  
immediately due and payable upon failure to pay any part thereof when due.

1           18.     The promissory note provides that if default occurs in the payment or any  
2 payments required under the promissory note, Plaintiff may accelerate the debt and immediately  
3 exercise any sale or other rights accorded thereunder or by law. *See* Exhibit 1 at 2.

4           19.     The notes held by the FSA are in default. By reason of such defaults, Plaintiff has  
5 exercised and does exercise its option under the terms and covenants of the promissory notes and  
6 Mortgage in its favor to declare the entire principal balance due thereunder, together with interest  
7 immediately due and payable, and to judicially enforce the Plaintiff's security interest, to have all  
8 real property sold in the manner prescribed by law, and to have the proceeds applied to the  
9 amounts due.

10          20.     Although demand has been made on Defendants for the payment of the  
11 promissory notes, they have failed, neglected and refused to satisfy the indebtedness. No other  
12 action at law or proceeding in equity, or otherwise, has been commenced or is currently pending  
13 for the foreclosure of the security agreement or the collection of the debts secured thereby.

14          21.     All of the debt restructuring, mediation and associated administrative appeal  
15 rights to which the Borrowers are entitled pursuant to 7 C.F.R. § 1951 have been exhausted.

16          22.     Upon information and belief, the fair and reasonable value of the security is  
17 greater than the debt, including all costs and advances, owed by the Borrowers.

18          23.     The United States is not aware of any parties that may claim a lien or legal  
19 interest in the property that is the subject of this action.

20          24.     The United States is aware of two court actions 1) *In the Matter of the Estates of*  
21 *Alfred Flores and Ester Flores*, filed in Superior Court of Guam, Probate Case No. PR0124-10  
22 by Co-Administrators May D. Hannah and Lucille Leon Guerrero and 2) *May D. Hannah vs.*  
23 *Lucille Flores Leon Guerrero, Ignacio R. Leon Guerrero, Alfred F. Leon Guerrero, Mark D.*  
24 *Leon Guerrero, Brian F. Leon Guerrero, and Does I-IX*, filed in Superior Court of Guam, Civil

Case No. CV1651-10 (Supreme Court Case No. CVA17-018) by May D. Hannah against her sister, Lucille Leon Guerrero in June 2018. Ms. Hannah is represented by James Maher, Esq. Ms. Leon Guerrero is represented by Jacqueline Taitano Terlaje, Esq.

25. As of December 18, 2018, the total amount due including principal and interest on the loan was \$26,660.29 in principle and \$6,551.86 in interest, with interest accruing daily.

### **COUNT I – ACTION TO ENFORCE SECURITY INTEREST**

26. Paragraphs 1-21 are incorporated herein by reference thereto, as if the same were fully set forth at length herein.

27. The United States' lien is prior and superior to other liens or claims against the Property.

28. As a result of the Borrowers' default, the United States is entitled to foreclose on Borrowers' interest in the property.

29. All conditions precedent to the assertion of this claim against the Borrowers have been satisfied and/or have occurred.

### **COUNT II – ACTION FOR DEBT**

30. Paragraphs 1-21 are incorporated herein by reference thereto, as if the same were fully set forth at length herein.

31. The United States is entitled to an *in personam* judgment against the Borrowers for the balance due to Plaintiff on the Notes, as set forth above.

32. Plaintiff is entitled to a deficiency judgment for the remaining balance due to Plaintiff on the Notes after deduction of monies, if any, recovered from the sale of the Property.

### **REQUEST FOR RELIEF**

WHEREFORE, Plaintiff requests judgment be entered as follows:

1. That federal law be declared applicable to this action and that Judgment in favor

1 of the United States providing relief with respect to the United States' interest in the property  
2 described above.

3 2. The Plaintiff be awarded or otherwise reimbursed for the costs and disbursements  
4 of this action; and

5 3. The Court order such other and further relief as may be just and equitable.  
6

7 DATED this 10th day of September, 2019, Hagåtña, Guam.

8 SHAWN N. ANDERSON  
9 United States Attorney  
Districts of Guam and the NMI  
10

11 By: /s/ Mikel W. Schwab  
12 MIKEL W. SCHWAB  
13 JESSICA F. WESSLING  
Assistant U.S. Attorneys  
Attorneys for the United States of America  
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## CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

## I. (a) PLAINTIFFS

(b) County of Residence of First Listed Plaintiff \_\_\_\_\_  
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

## DEFENDANTS

County of Residence of First Listed Defendant \_\_\_\_\_  
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

## II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
- ☐ 2 U.S. Government Defendant
- ☐ 3 Federal Question  
(U.S. Government Not a Party)
- ☐ 4 Diversity  
(Indicate Citizenship of Parties in Item III)

## III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- |   | PTF                        | DEF                        |   | PTF                        | DEF                        |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State                   | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State     | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State                | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation  | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

## IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: [Nature of Suit Code Descriptions.](#)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<b>PERSONAL INJURY</b> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice <b>PERSONAL INJURY</b> <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <b>PERSONAL PROPERTY</b> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other <b>LABOR</b> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act <b>IMMIGRATION</b> <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <b>PROPERTY RIGHTS</b> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 835 Patent - Abbreviated New Drug Application <input type="checkbox"/> 840 Trademark <b>SOCIAL SECURITY</b> <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <b>FEDERAL TAX SUITS</b> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 485 Telephone Consumer Protection Act <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
<b>REAL PROPERTY</b> <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<b>CIVIL RIGHTS</b> <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education <b>PRISONER PETITIONS</b> <b>Habeas Corpus:</b> <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <b>Other:</b> <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement			

## V. ORIGIN (Place an "X" in One Box Only)

- ☐ 1 Original Proceeding    ☐ 2 Removed from State Court    ☐ 3 Remanded from Appellate Court    ☐ 4 Reinstated or Reopened    ☐ 5 Transferred from Another District (specify)    ☐ 6 Multidistrict Litigation - Transfer    ☐ 8 Multidistrict Litigation - Direct File

## VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

Brief description of cause:

## VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P.

DEMAND \$

CHECK YES only if demanded in complaint:

JURY DEMAND: ☐ Yes ☐ No

## VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE

SIGNATURE OF ATTORNEY OF RECORD

## FOR OFFICE USE ONLY

RECEIPT #

AMOUNT

APPLYING IFP

JUDGE

MAG. JUDGE

UNITED STATES DEPARTMENT OF AGRICULTURE  
FARMERS HOME ADMINISTRATION

PROMISSORY NOTE

43-63

Name <b>FLORES POULTRY FARM, INC.</b>		KIND OF LOAN Type: <u>EM</u> Pursuant to: <input checked="" type="checkbox"/> Consolidated Farm & Rural Development Act <input type="checkbox"/> Emergency Agricultural Credit Adjustment Act of 1978
State <b>Guam</b>	County <b>Inarajan</b>	ACTION REQUIRING NOTE <input type="checkbox"/> Initial loan <input type="checkbox"/> Rescheduling <input type="checkbox"/> Subsequent loan <input checked="" type="checkbox"/> Reamortization <input type="checkbox"/> Consolidation & subsequent loan <input type="checkbox"/> Credit sale <input type="checkbox"/> Consolidation <input type="checkbox"/> Deferred payments
Case No. <b>62-01-096001413</b>	Date <b>October 7, 1985</b>	

FOR VALUE RECEIVED, the undersigned Borrower(s) and any comakers jointly and severally promise to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture, (herein called the "Government"), or its assigns, at its office in Agana, Guam

\_\_\_\_\_, or at such other place as the Government may hereafter designate in writing, the principal sum of

THREE HUNDRED TWENTY NINE THOUSAND SEVEN HUNDRED NINE and 47/100 dollars

(\$ 329,709.47), plus interest on the unpaid principal balance at the RATE of

FIVE percent (05.0000 %) per annum. If this note is for a Limited Resource loan (indicated in the "Kind of Loan" box above) the Government may **CHANGE THE RATE OF INTEREST**, in accordance with regulations of the Farmers Home Administration, not more often than quarterly, by giving the Borrower thirty (30) days prior written notice by mail to the Borrower's last known address. The new interest rate shall not exceed the highest rate established in regulations of the Farmers Home Administration for the type of loan indicated above.

Principal and interest shall be paid in 31 installments as indicated below, except as modified by a different rate of interest, on or before the following dates:

\$ 3,885 on January 1, 1986; \$ \_\_\_\_\_ on January 1, 19\_\_\_\_;  
\$ 21,451 on January 1, 1987; \$ \_\_\_\_\_ on January 1, 19\_\_\_\_;  
\$ \_\_\_\_\_ on January 1, 19\_\_\_\_; \$ \_\_\_\_\_ on January 1, 19\_\_\_\_;  
\$ \_\_\_\_\_ on January 1, 19\_\_\_\_; \$ \_\_\_\_\_ on January 1, 19\_\_\_\_;  
\$ \_\_\_\_\_ on January 1, 19\_\_\_\_; \$ \_\_\_\_\_ on January 1, 19\_\_\_\_;  
and \$ 21,451.00 thereafter on January 1st of each year until the principal and interest are fully paid except that the final installment of the entire indebtedness evidenced hereby, if not sooner paid, shall be due and

payable 30 years from the date of this note, and except that prepayments may be made as provided below. The consideration for this note shall also support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan funds shall be advanced to the Borrower as requested by Borrower and approved by the Government. Approval by the Government will be given provided the advance is requested for a purpose authorized by the Government. Interest shall accrue on the amount of each advance from its actual date as shown in the Record of Advances at the end of this note. Borrower authorizes the Government to enter the amount(s) and date(s) of such advance(s) in the Records of Advances.

For each rescheduled; reamortized or consolidated note, interest accrued to the date of this instrument shall be added to principal and such new principal shall accrue interest at the rate evidenced by this instrument.

Every payment made on any indebtedness evidenced by this note shall be applied first to interest accrued as of the date of receipt of the payment and then to principal.

Position 2

GOVERNMENT  
EXHIBIT

1



Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Borrower. Refunds and extra payments, as defined in the regulations (7 CFR §1861.2) of the Farmers Home Administration according to the source of funds involved, shall, after payment of interest, be applied to the last installment to become due under this note and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this note and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder. While this note is held by an insured holder, prepayments made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on an installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an installment due date basis shall be the date of the prepayment by Borrower, and the Government will pay the interest to which the holder is entitled accruing between such date and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection of this note or to preserve or protect any security for the loan or otherwise expended under the terms of any security agreement or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand.

Property constructed, improved, purchased, or refinanced in whole or in part with the loan evidenced hereby shall not be leased, assigned, sold, transferred, or encumbered, voluntarily or otherwise, without the written consent of the Government. Unless the Government consents otherwise in writing, Borrower will operate such property as a farm if this is a Farm Ownership loan.

If "Consolidation and subsequent loan," "Consolidation," "Rescheduling," or "Reamortization" is indicated in the "Action Requiring Note" block above, this note is given to consolidate, reschedule or reamortize, but not in satisfaction of the unpaid principal and interest on the following described note(s) or assumption agreement(s) (new terms):

FACE AMOUNT	INT. RATE	DATE	ORIGINAL BORROWER	LAST INSTALL. DUE
\$ 200,750.00	05.00 %	Oct. 26 , 19 76	Flores Poultry Farm	10/26 2016
\$ 105,500.00	05.00 %	Oct. 26 , 19 76	Flores Poultry Farm	10/26 , 19 83
\$	%	, 19		, 19
\$	%	, 19		, 19
\$	%	, 19		, 19
\$	%	, 19		, 19
\$	%	, 19		, 19

Security instruments taken in connection with the loans evidenced by these described notes and other related obligations are not affected by this consolidating, rescheduling or reamortizing. These security instruments shall continue to remain in effect and the security given for the loans evidenced by the described notes shall continue to remain as security for the loan evidenced by this note, and for any other related obligations.

**REFINANCING (GRADUATION) AGREEMENT:** If at any time it shall appear to the Government that the Borrower may be able to obtain financing from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept a loan(s) in sufficient amount to pay this note in full and, if the lender is a cooperative, to pay for any necessary stock.

**DEFAULT:** Failure to pay when due any debt evidenced hereby or perform any covenant of agreement hereunder shall constitute default under this and any other instrument evidencing a debt of Borrower owing to, insured or Guaranteed by the Government or securing or otherwise relating to such debt; and default under any such other instrument shall constitute default hereunder. **UPON ANY SUCH DEFAULT,** the Government at its option may declare all or any part of any such indebtedness immediately due and payable.

This Note is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act, or the Emergency Agricultural Credit Adjustment Act of 1978 and for the type of loan as indicated in the "Kind of Loan" block above. This Note shall be subject to the present regulations of the Farmers Home Administration and to its future regulations not inconsistent with the express provisions hereof.

Presentment, protest, and notice are hereby waived.

FLORES POULTRY FARM, INC.

"AS INDIVIDUALS"

Ester D. Flores  
ESTER DUENAS FLORES

Fred D. Flores

by Alfred D. Flores  
FRED D. FLORES

Roy P. Duenas  
ROY P. DUENAS

Lucille F. Leon Guerrero  
LUCILLE F. LEON GUERRERO

May D. Wilson AKA May D. Wilson  
MAY D. WILSON Hors

ROY P. DUENAS - Secretary-Treasury (Borrower)

ESTER DUENAS FLORES - President (Borrower)

RECORD OF ADVANCES					
AMOUNT	DATE	AMOUNT	DATE	AMOUNT	DATE
\$		\$		\$	
\$		\$		\$	
\$		\$		\$	
\$		\$		\$	
TOTAL				\$	

USDA-FmHA  
Form FmHA 427-1 GU  
(Rev. 7-85)

REAL ESTATE MORTGAGE FOR GUAM  
WITH ASSIGNMENT OF RENTS

THIS MORTGAGE is made and entered into by and between the undersigned: \_\_\_\_\_

\*ALFRED SAN NICOLAS FLORES and ESTER DUENAS FLORES, Husband & Wife

whose mailing address is \_\_\_\_\_, Guam 969 \_\_\_\_\_,  
herein called "Borrower," and the United States of America, acting through the Farmers Home Administration, United States  
Department of Agriculture, herein called the "Government," whose "residence" and post office address is  
P.O. Box ET, Agana, \_\_\_\_\_, Guam 969 <sup>10</sup>\_\_\_\_\_.

WHEREAS Borrower is indebted to the Government as evidenced by one or more promissory note(s) or assumption  
agreement(s), herein called "note," which has been executed by Borrower, is payable to the order of the Government, author-  
izes acceleration of the entire indebtedness at the option of the Government upon any default by Borrower, and is described  
as follows:

<u>Date of Instrument</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>
October 07, 1985	\$329,709.47	05.0000%

\*Although mortgagor Alfred San Nicolas Flores is referred to herein as "Borrower",  
he is not, in fact, a signatory to the promissory note of even date. Nonetheless,  
he does by this document mortgage his interest in the real property described below.

(The interest rate for limited resource farm ownership or limited resource operating loan(s) secured by this instrument  
may be increased after 3 years, as provided in the Farmers Home Administration regulations and the note.)

And the note evidences a loan to Borrower, and the Government, at any time, may assign the note and insure the pay-  
ment thereof pursuant to the Consolidated Farm and Rural Development Act, or Title V of the Housing Act of 1949 as  
amended, or any other statute administered by the Farmers Home Administration;

And it is the purpose and intent of this instrument that, among other things, at all times when the note is held by the  
Government, or in the event the Government should assign this instrument without insurance of the note, this instrument  
shall secure payment of the note; but when the note is held by an insured holder, this instrument shall not secure payment  
of the note or attach to the debt evidenced thereby, but as to the note and such debt shall constitute an indemnity mortgage  
to secure the Government against loss under its insurance contract by reason of any default by Borrower.

And this instrument also secures the recapture of any interest credit or subsidy which may be granted to the Borrower  
by the Government pursuant to 42 U.S.C. §1490a.

NOW, THEREFORE, in consideration of the loan(s) and (a) at all times when the note is held by the Government, or  
in the event the Government should assign this instrument without insurance of the payment of the note, to secure prompt  
payment of the note and any renewals and extensions thereof and any agreements contained therein, including any provision  
for the payment of an insurance or other charge, (b) at all times when the note is held by an insured holder, to secure per-  
formance of Borrower's agreement herein to indemnify and save harmless the Government against loss under its insurance  
contract by reason of any default by Borrower, and (c) in any event and at all times to secure prompt payment of all ad-  
vances and expenditures made by the Government, with interest, as hereinafter described, and the performance of every  
covenant and agreement of Borrower contained herein or in any supplementary agreement, the provisions of which are  
hereby incorporated herein and made a part hereof, Borrower mortgages to the Government with power of sale the following

described property in the municipality of Inarajan, Territory of Guam:

Lot No. 276, Inarajan, Guam, Estate No. 55205, Suburban,  
as said lot is marked and designated on Drawing No. L-4-76-87,  
dated: May 14, 1976 and recorded in the Department of Land  
Management Government of Guam on December 21, 1977 under  
Document No. 287074. Area: 305,790 Square Meters

Certificate of Title No. 60991

GOVERNMENT  
EXHIBIT

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together with all rights, interests, easements, hereditaments and appurtenances thereunto belonging, the rents, issues, and profits thereof and revenues and income therefrom (subject to the right of the Government to collect and apply the same as provided in Covenant (22) hereof): all improvements and personal property now or later attached thereto or reasonably necessary to the use thereof, including, but not limited to ranges, refrigerators, clothes washers, clothes dryers, or carpeting purchased or financed in whole or in part with loan funds, all water, water rights, and water stock pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale, lease, transfer, conveyance or condemnation of any part thereof or interest therein-all of which are herein called "the property":

BORROWER WARRANTS the title to the property to the Government against all lawful claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyances specified hereinabove, and COVENANTS AND AGREES as follows:

(1) To pay promptly when due any indebtedness to the Government hereby secured and to indemnify and save harmless the Government against any loss under its insurance of payment of the note by reason of any default by Borrower. At all times when the note is held by an insured lender, Borrower shall continue to make payments on the note to the Government, as collection agent for the holder.

(2) To pay to the Government such fees and other charges as may now or hereafter be required by regulations of the Farmers Home Administration, and to pay or reimburse the Government for all fees and costs or expenses in connection with any full or partial release or subordination of this instrument or any other transaction affecting the property.

(3) If required by the Government, to make additional monthly payments of 1/12 of the estimated annual taxes, assessments, insurance premiums and other charges upon the property.

(4) Whether or not the note is insured by the Government, the Government may at any time pay any other amounts required herein to be paid by Borrower and not paid by Borrower when due, as well as any costs and expenses for the preservation, protection, or enforcement of this lien, as advances for the account of Borrower. All such advances shall bear interest at the rate borne by the note which has the highest interest rate.

(5) Except as provided in Covenant (29), all advances by the Government as described in this instrument, with interest, shall be immediately due and payable by Borrower to the Government without demand at the place designated in the latest note and shall be secured hereby. No such advance by the Government shall relieve Borrower from breach of Borrower's covenant to pay. Any payment made by Borrower may be applied on the note or any indebtedness to the Government secured hereby, in any order the Government determines.

(6) To use the loan evidenced by the note solely for purposes authorized by the Government.

(7) To pay when due all taxes, liens, judgments, encumbrances, and assessments lawfully attaching to or assessed against the property, including all charges and assessments in connection with water, water rights, and water stock pertaining to or reasonably necessary to the use of the real property described above, and promptly deliver to the Government without demand receipts evidencing such payments.

(8) To keep the property insured as required by and under insurance policies approved by the Government, and at its request, to deliver such policies to the Government. The amount collected under any fire or other insurance policy may be applied by the Government upon the loan or any other indebtedness secured hereby in such order as the Government may determine, or at the Government's option may be released to Borrower. Such application or release will not cure or waive any default hereunder.

(9) To maintain improvements in good repair and make repairs required by the Government; operate the property in a good and husbandmanlike manner; comply with such farm conservation practices and farm and home management plans as the Government from time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening or impairment of the security covered hereby, or without the written consent of the Government, cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals except as may be necessary for ordinary domestic purposes.

(10) To comply with all laws, ordinances, and regulations affecting the property.

(11) To pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and priority hereof and to the enforcement of or the compliance with the provisions hereof and of the note and any supplementary agreement (whether before or after default), including but not limited to costs of evidence of title to and survey of the property, costs of recording this and other instruments, attorneys' fees, trustees' fees, court costs, and expenses of advertising, selling, and conveying the property.

(12) Neither the property nor any portion thereof or interest therein shall be leased, assigned, sold, transferred, or encumbered, voluntarily or otherwise, without the written consent of the Government. The Government shall have the sole and exclusive rights as mortgagee hereunder, including but not limited to the power to grant consents, partial releases, subordinations, and satisfaction, and no insured holder shall have any right, title or interest in or to the lien or any benefits hereof.

(13) At all reasonable times the Government and its agents may inspect the property to ascertain whether the covenants and agreements contained herein or in any supplementary agreement are being performed.

(14) The Government may (a) extend or defer the maturity of, and renew and reschedule the payments on, the debt evidenced by the note or any indebtedness to the Government secured by this instrument, (b) release any party who is liable under the note or for the debt from liability to the Government, (c) request release of portions of the property and subordinate its lien, and (d) waive any other of its rights under this instrument. Any and all this can and will be done without affecting the lien or the priority of this instrument or Borrower's or any other party's liability to the Government for payment of the note or debt secured by this instrument unless the Government says otherwise in writing. HOWEVER, any forbearance by the Government—whether once or often—in exercising any right or remedy under this instrument, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

(15) If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, upon the Government's request, apply for and accept such loan in sufficient amount to pay the note and any indebtedness secured hereby and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan.

(16) Default hereunder shall constitute default under any other real estate, or under any personal property or other security instrument held or insured by the Government and executed or assumed by Borrower, and default under any such other security instrument shall constitute default hereunder.

(17) SHOULD DEFAULT occur in the performance or discharge of any obligation in this instrument or secured by this instrument, or should the parties named as Borrower die or be declared incompetent, or should any one of the parties named as Borrower be discharged in bankruptcy or declared an insolvent, or make an assignment for the benefit of creditors, the Government, at its option, with or without notice, may: (a) declare the entire amount unpaid under the note and any indebtedness to the Government, hereby secured immediately due and payable, (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property, (c) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application have a receiver appointed for the property, with the usual powers of receivers in like cases, (d) foreclose this instrument and obtain a deficiency judgment, as provided herein or by law, and (e) enforce any and all other rights and remedies provided herein or by present or future law.

(18) The Government will not be bound by any present or future local laws, (a) providing for homestead or exemption of the property, (b) prohibiting maintenance of an action for a deficiency judgment or limiting the amount thereof or the time within which such action must be brought, and (c) prescribing any other statute of limitations. Borrower expressly waives the benefit of any such local laws. BORROWER ALSO ACKNOWLEDGES AND AGREES THAT IF THE LEGAL OR EQUITABLE OWNERSHIP OF ANY OF THE PROPERTY IS TRANSFERRED, THE NEW OWNER(S) MUST APPLY TO THE GOVERNMENT FOR AND QUALIFY TO ASSUME THE LOAN ON SUCH RATES AND TERMS AS THE REGULATIONS OF THE FARMERS HOME ADMINISTRATION MAY THEN ALLOW. THESE REGULATIONS SUPERSEDE ANY CONTRARY LOCAL LAW.

(19) At the option of the Government, this mortgage may be foreclosed by action or by advertisement, and Borrower hereby irrevocably vests in the Government a power of sale and constitutes and appoints the Government Borrower's agent and attorney in fact to sell the property, after due notice (pursuant to the relevant regulations of the Farmers Home Administration and in the manner prescribed in Section 692 of the Guam Code of Civil Procedure), at public sale to the highest bidder, for cash or secured credit at the option of the Government. Such sale may be adjourned from time to time without notice other than oral proclamation at the time and place appointed for such sale; at such sale, the Government and its agents may bid and purchase as a stranger; the Government may conduct such sale through its delegate authorized for such purpose orally or in writing and give to the purchaser a deed binding upon Borrower and all claiming under Borrower and which deed shall be conclusive evidence that the sale was fairly conducted by the Government.

(20) The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with the provisions hereof, (b) any prior liens required by law or a competent court to be so paid, (c) the debt evidenced by the note and all indebtedness to the Government secured hereby, (d) inferior liens of record required by law or a competent court to be so paid, (e) at the Government's option, any other indebtedness of Borrower owing to or insured by the Government, and (f) any balance to Borrower. In case the Government is the successful bidder at foreclosure or other sale of all or any part of the property, the Government may pay its share of the purchase price by crediting such amount on any debts of Borrower owing to or insured by the Government, in the order prescribed above.

(21) All powers and agencies granted in this instrument are coupled with an interest and are irrevocable by death or otherwise; and the rights and remedies provided in this instrument are cumulative to remedies by law.

(22) As additional security, Borrower hereby assigns to and confers upon the Government the power to collect the rents, issues, profits and income of the property, reserving to Borrower the right to collect and retain same prior to any default hereunder. The Government may apply said rents and other income on the loan or any indebtedness secured hereby in any order it may determine and without regard to the adequacy of security for same.

(23) Any award for damages or injury to the property, including any award for its condemnation for public use, is hereby assigned to the Government which may apply or release the money in the same manner and with the same effect as provided in Covenant (8).

(24) Notices given hereunder shall be sent by certified mail, unless otherwise required by law, and addressed, unless and until some other address is designated to the parties hereto at their addresses given above.

(25) If any part of the loan for which this instrument is given shall be used to finance the purchase, construction or repair of property to be used as an owner-occupied dwelling (herein called "the dwelling") and if Borrower intends to sell or rent the dwelling and has obtained the Government's consent to do so (a) neither Borrower nor anyone authorized to act for Borrower will, after receipt of a bona fide offer, refuse to negotiate for the sale or rental of the dwelling or will otherwise make unavailable or deny the dwelling to anyone because of race, color, religion, sex, or national origin, and (b) Borrower recognizes as illegal and hereby disclaims, and will not comply with or attempt to enforce any restrictive covenants on the dwelling relating to race, color, religion, sex, or national origin.

(26) This instrument shall be subject to the present regulations of the Farmers Home Administration, and to its future regulations not inconsistent with the express provisions hereof.

(27) If the property or any part thereof is a lease, Borrower will pay when due all rents and any and all other charges required by said lease, will comply with all other requirements of said lease, and will not surrender or relinquish, without the Government's written consent, any of Borrower's right, title or interest in or to said leasehold estate or under said lease while in this instrument remains in effect.

(28) If any provision of this instrument or application thereof to any person or circumstances is held invalid, such invalidity will not effect other provisions or applications of the instrument which can be given effect without the invalid provision or application, and to that end the provisions hereof are declared to be severable.

(29) This instrument also secures future advances to Borrower when evidenced by note(s) for operating, emergency or other loan(s) by the Government, subject to the same terms and conditions regarding assignment of said note(s) as hereinabove provided, and all reference herein shall be deemed to include such future note(s).

☆ U.S. GOVERNMENT PRINTING OFFICE : 1985-564-051/20503

October 8th, 1985  
(Date)

Alfred S.N. Flores  
Ester D. Flores

TERRITORY OF GUAM

MUNICIPALITY OF Agaña } ss:

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this 8th day of October, 1985  
by Alfred S.N. Flores And Ester D. Flores

PENELOPE A. T. ATOIGUE  
NOTARY PUBLIC  
IN AND FOR THE TERRITORY OF GUAM.  
MY COMMISSION EXPIRES: APRIL 1, 1990.

Penelope A. T. Atoigue Notary Public  
My Commission expires \_\_\_\_\_, 19\_\_\_\_

SPACE BELOW FOR RECORDER'S USE ONLY

TERRITORY OF GUAM DEPARTMENT OF LAND MANAGEMENT  
OFFICE OF THE RECORDER

INSTRUMENT NUMBER 363527

This instrument was filed for record on

Day of Feb, 1986

at Page 19

Recorded in Book DE OFFICIO at Page

Recording Fee DE OFFICIO Voucher No. DE OFFICIO

DE OFFICIO Deputy Recorder



United States  
Department of  
Agriculture

Farm and Foreign  
Agricultural  
Services

Farm  
Service  
Agency

PJJK Federal Building  
300 Ala Moana Boulevard  
Room 5-108, P.O. Box 50065  
Honolulu, HI 96850

CERTIFIED MAIL  
7015 1520 0002 2875 6540

December 24, 2015

Flores Poultry Farm, Inc.  
c/o May D. Hannah  
P.O. Box 17316  
Inarajan, Guam 96915

Subject: **NOTICE OF ACCELERATION OF YOUR DEBT TO THE  
FARM SERVICE AGENCY AND DEMAND FOR PAYMENT  
OF THAT DEBT**

Dear Ms. Hannah:

PLEASE NOTE that the entire indebtedness due on the promissory notes and/or assumption agreements which evidence the loans received by you from the United States of America, acting through the Farm Service Agency, United States Department of Agriculture is now declared immediately due and payable. They are described as follows:

<u>Debt Instrument</u>	<u>Date of Instrument</u>	<u>Original Amount</u>
Promissory Note	October 7, 1985	\$329,709.47

The promissory notes or assumption agreements are secured by real estate mortgages, deeds of trust, security agreement, and financing statements, etc., described and perfected as follows:

<u>Security Instrument</u>	<u>Date</u>	<u>Recording Office</u>	<u>Recording Information</u>
Real Estate Mortgage for Guam with Assignment Of Rents	October 8, 1985	Territory of Guam, Municipality of Agana	Instrument No. 368527

This acceleration of your indebtedness is made in accordance with the authority granted in the above-described instruments.

GOVERNMENT  
EXHIBIT

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The reasons for the acceleration of your indebtedness are as follows:

The indebtedness due is \$26,660.29 unpaid principal, and \$2,585.69 unpaid interest, as of December 24, 2015, plus additional interest accruing at the rate of \$3.6521 per day thereafter, plus any advances made by the United States for the protection of its security and interest accruing on any such advances and any shared appreciation. Unless full payment of your indebtedness is received made by one of the methods described below within 30 days from the date of this letter, the United States will foreclose the above described security instruments and pursue any other available remedies.

If your account is referred to the Department of Justice for foreclosure and/or other collection activity after foreclosure, such as a deficiency judgment or enforcing a judgment lien, attorney's fees may be added to your debt as well as a Department of Justice fee of 3 percent.

Full payment may be made in any of the following ways:

A) CASH

Payment should be made by cashier's check, certified check, or postal money order payable to the Farm Service Agency and delivered to FSA at 770 E. Sunset Boulevard, Suite 265, Barrigada, Guam, 96921. If you submit to the UNITED STATES any payment insufficient to pay the account in full or insufficient to comply with any arrangements agreed to between the Farm Service Agency and yourself, that payment WILL NOT CANCEL the effect of this notice. If such insufficient payments are received and credited to your account, no waiver or prejudice of any rights which the UNITED STATES may have for breach of any promissory note or covenant in the security instruments will result and the Farm Service Agency may proceed as though no such payment had been made.

B) TRANSFER AND ASSUMPTION

You may transfer the collateral for your loans to someone who is willing and able to assume the debt. Contact FSA immediately if you are interested in this.

C) SALE

You may sell the collateral for your loans for its market value and send the proceeds to FSA or to other creditors with liens prior to FSA's lien. Contact FSA immediately if you are interested in this.

D) VOLUNTARY CONVEYANCE

You may convey all of your collateral to the Government. Contact FSA immediately if you are interested in this.




\*\*\* If you have not been advised of your rights to request deferral of payments or other servicing options, you should contact FSA at the above mentioned address within 15 days of the receipt of this notice.

If you fail to comply with the requirements outlined in this notice within the next 30 days, the United States plans to proceed with foreclosure/liquidation.

YOU DO NOT HAVE ANY RIGHT TO APPEAL THIS DECISION TO ACCELERATE YOUR FSA DEBTS.

UNITED STATES OF AMERICA

BY:   
\_\_\_\_\_  
Steven R. Bazzell  
Chief and District Director  
Farm Loan Programs  
Farm Service Agency  
U.S. Dept. of Agriculture

#### Notice to Customers Presenting Checks

When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. For inquiries, please contact your local office.

Privacy Act – A privacy Act Statement required by 5.U.S.C. § 552a(e)(3) stating our authority for soliciting and collecting the information from your check, and explaining the purposes and routine uses which will be made of your check information, is available from our internet site at (<http://www.fms.treas.gov/otcnet/index.html>), or call toll free at (1-866-945-7920) to obtain a copy by mail. Furnishing the check information is voluntary, but a decision not to do so may require you to make payment by some other method.

*The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.*

*The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.)*

*If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or e-mail at [program.intake@usda.gov](mailto:program.intake@usda.gov).*

*Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish). Persons with disabilities, who wish to file a program complaint, please see information above on how to contact us by mail directly or by email. If you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).*



United States  
Department of  
Agriculture

Farm and Foreign  
Agricultural  
Services

Farm  
Service  
Agency

300 Ala Moana Boulevard  
Room 5-108, PO Box 50065  
Honolulu, HI 96850

July 3, 2018

Flores Poultry Farm, Inc.  
P.O. Box BL  
Hagatna, GU 96932

Subject: **NOTICE OF ACCELERATION OF YOUR DEBT TO THE  
FARM SERVICE AGENCY AND DEMAND FOR PAYMENT  
OF THAT DEBT**

Dear Sir or Madam:

PLEASE NOTE that the entire indebtedness due on the promissory note which evidence the loan received by you from the United States of America, acting through the Farm Service Agency, United States Department of Agriculture is now declared immediately due and payable. It is described as follows:

<u>Debt Instrument</u>	<u>Date of Instrument</u>	<u>Original Amount</u>
Promissory Note	October 7, 1985	\$329,709.47

The promissory note is secured by a security agreement described and perfected as follows:

<u>Security Instrument</u>	<u>Date</u>	<u>Recording Office</u>	<u>Recording Information</u>
Real Estate Mortgage for Guam with Assignment of Rents	October 8, 1985	Territory of Guam, Municipality of Agana	Instrument No. 368527

This acceleration of your indebtedness is made in accordance with the authority granted in the above-described instrument.

The reason for the acceleration of your indebtedness is as follows:

The indebtedness due is \$26,660.29 unpaid principal, and \$5,949.27 unpaid interest, as of July 3, 2018, plus additional interest accruing at the rate of \$3.6521 per day thereafter, plus any advances made by the United States for the protection of its security and interest accruing on any

GOVERNMENT  
EXHIBIT

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such advances and any shared appreciation. Unless full payment of your indebtedness is received made by one of the methods described below within 30 days from the date of this letter, the United States will foreclose the above described security instruments and pursue any other available remedies.

If your account is referred to the Department of Justice for foreclosure and/or other collection activity after foreclosure, such as a deficiency judgment or enforcing a judgment lien, attorney's fees may be added to your debt as well as a Department of Justice fee of 3 percent.

Full payment may be made in any of the following ways:

A) CASH

Payment should be made by cashier's check, certified check, or postal money order payable to the Farm Service Agency and delivered to the Farm Service Agency at 770 East Sunset Boulevard, Suite 265, Barrigada, Guam 96913. If you submit to the United States any payment insufficient to pay the account in full or insufficient to comply with any arrangements agreed to between the Farm Service Agency and yourself, that payment WILL NOT CANCEL the effect of this notice. If such insufficient payments are received and credited to your account, no waiver or prejudice of any rights which the UNITED STATES may have for breach of any promissory note or covenant in the security instrument will result and the Farm Service Agency may proceed as though no such payment had been made.

B) TRANSFER AND ASSUMPTION

You may transfer the collateral for your loan to someone who is willing and able to assume the debt. Contact FSA immediately if you are interested in this.

C) SALE

You may sell the collateral for your loan for its market value and send the proceeds to FSA or to other creditors with liens prior to FSA's lien. Contact the Loan Analyst immediately if you are interested in this.

D) VOLUNTARY CONVEYANCE

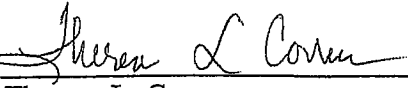
You may convey all of your collateral to the Government. Contact FSA immediately if you are interested in this.

If you have not been advised of your rights to request deferral of payments or other servicing options, you should contact FSA within 15 days of the receipt of this notice.

If you fail to comply with the requirements outlined in this notice within the next 30 days, the United States plans to proceed with foreclosure/liquidation.

YOU DO NOT HAVE ANY RIGHT TO APPEAL THIS DECISION TO ACCELERATE YOUR FSA DEBTS.

UNITED STATES OF AMERICA

BY:   
Theresa L. Correa  
Chief and District Director  
Farm Loan Programs  
Farm Service Agency  
U.S. Dept. of Agriculture

**Notice to Customers Presenting Checks**

When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. For inquiries, please contact your local office.

Privacy Act.— A privacy Act Statement required by 5.U.S.C. § 552a(e)(3) stating our authority for soliciting and collecting the information from your check, and explaining the purposes and routine uses which will be made of your check information, is available from our internet site at (<http://www.fms.treas.gov/otcnet/index.html>), or call toll free at (1-866-945-7920) to obtain a copy by mail. Furnishing the check information is voluntary, but a decision not to do so may require you to make payment by some other method.

*The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.*



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Farm and Foreign  
Agricultural  
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Farm  
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Agency

300 Ala Moana Boulevard  
Room 5-108, PO Box 50065  
Honolulu, HI 96850

July 3, 2018

May D. Hannah  
aka May D. Wilson  
P.O. Box 17316  
Inarajan, GU 96915

Subject: **NOTICE OF ACCELERATION OF YOUR DEBT TO THE  
FARM SERVICE AGENCY AND DEMAND FOR PAYMENT  
OF THAT DEBT**

Dear Ms. Hannah:

PLEASE NOTE that the entire indebtedness due on the promissory note which evidence the loan received by you from the United States of America, acting through the Farm Service Agency, United States Department of Agriculture is now declared immediately due and payable. It is described as follows:

<u>Debt Instrument</u>	<u>Date of Instrument</u>	<u>Original Amount</u>
Promissory Note	October 7, 1985	\$329,709.47

The promissory note is secured by a security agreement described and perfected as follows:

<u>Security Instrument</u>	<u>Date</u>	<u>Recording Office</u>	<u>Recording Information</u>
Real Estate Mortgage for Guam with Assignment of Rents	October 8, 1985	Territory of Guam, Municipality of Agana	Instrument No. 368527

This acceleration of your indebtedness is made in accordance with the authority granted in the above-described instrument.

The reason for the acceleration of your indebtedness is as follows:

The indebtedness due is \$26,660.29 unpaid principal, and \$5,949.27 unpaid interest, as of July 3, 2018, plus additional interest accruing at the rate of \$3.6521 per day thereafter, plus any

advances made by the United States for the protection of its security and interest accruing on any such advances and any shared appreciation. Unless full payment of your indebtedness is received made by one of the methods described below within 30 days from the date of this letter, the United States will foreclose the above described security instruments and pursue any other available remedies.

If your account is referred to the Department of Justice for foreclosure and/or other collection activity after foreclosure, such as a deficiency judgment or enforcing a judgment lien, attorney's fees may be added to your debt as well as a Department of Justice fee of 3 percent.

Full payment may be made in any of the following ways:

A) CASH

Payment should be made by cashier's check, certified check, or postal money order payable to the Farm Service Agency and delivered to the Farm Service Agency at 770 East Sunset Boulevard, Suite 265, Barrigada, Guam 96913. If you submit to the United States any payment insufficient to pay the account in full or insufficient to comply with any arrangements agreed to between the Farm Service Agency and yourself, that payment WILL NOT CANCEL the effect of this notice. If such insufficient payments are received and credited to your account, no waiver or prejudice of any rights which the UNITED STATES may have for breach of any promissory note or covenant in the security instrument will result and the Farm Service Agency may proceed as though no such payment had been made.

B) TRANSFER AND ASSUMPTION

You may transfer the collateral for your loan to someone who is willing and able to assume the debt. Contact FSA immediately if you are interested in this.

C) SALE

You may sell the collateral for your loan for its market value and send the proceeds to FSA or to other creditors with liens prior to FSA's lien. Contact the Loan Analyst immediately if you are interested in this.

D) VOLUNTARY CONVEYANCE

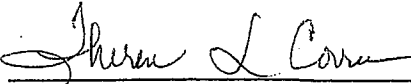
You may convey all of your collateral to the Government. Contact FSA immediately if you are interested in this.

If you have not been advised of your rights to request deferral of payments or other servicing options, you should contact FSA within 15 days of the receipt of this notice.

If you fail to comply with the requirements outlined in this notice within the next 30 days, the United States plans to proceed with foreclosure/liquidation.

YOU DO NOT HAVE ANY RIGHT TO APPEAL THIS DECISION TO ACCELERATE YOUR FSA DEBTS.

UNITED STATES OF AMERICA

BY: 

Theresa L. Correa  
Chief and District Director  
Farm Loan Programs  
Farm Service Agency  
U.S. Dept. of Agriculture

**Notice to Customers Presenting Checks**

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Privacy Act – A privacy Act Statement required by 5.U.S.C. § 552a(e)(3) stating our authority for soliciting and collecting the information from your check, and explaining the purposes and routine uses which will be made of your check information, is available from our internet site at (<http://www.fms.treas.gov/otcnet/index.html>), or call toll free at (1-866-945-7920) to obtain a copy by mail. Furnishing the check information is voluntary, but a decision not to do so may require you to make payment by some other method.

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United States  
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Agriculture

Farm and Foreign  
Agricultural  
Services

Farm  
Service  
Agency

300 Ala Moana Boulevard  
Room 5-108, PO Box 50065  
Honolulu, HI 96850

July 3, 2018

The Estate of Fred Flores, Jr.  
P.O. Box 9910  
Hagatna, GU 96932

**Subject: NOTICE OF ACCELERATION OF YOUR DEBT TO THE  
FARM SERVICE AGENCY AND DEMAND FOR PAYMENT  
OF THAT DEBT**

Dear Sir or Madam:

PLEASE NOTE that the entire indebtedness due on the promissory note which evidence the loan received by you from the United States of America, acting through the Farm Service Agency, United States Department of Agriculture is now declared immediately due and payable. It is described as follows:

<u>Debt Instrument</u>	<u>Date of Instrument</u>	<u>Original Amount</u>
Promissory Note	October 7, 1985	\$329,709.47

The promissory note is secured by a security agreement described and perfected as follows:

<u>Security Instrument</u>	<u>Date</u>	<u>Recording Office</u>	<u>Recording Information</u>
Real Estate Mortgage for Guam with Assignment of Rents	October 8, 1985	Territory of Guam, Municipality of Agana	Instrument No. 368527

This acceleration of your indebtedness is made in accordance with the authority granted in the above-described instrument.

The reason for the acceleration of your indebtedness is as follows:

The indebtedness due is \$26,660.29 unpaid principal, and \$5,949.27 unpaid interest, as of July 3, 2018, plus additional interest accruing at the rate of \$3.6521 per day thereafter, plus any advances made by the United States for the protection of its security and interest accruing on any

such advances and any shared appreciation. Unless full payment of your indebtedness is received made by one of the methods described below within 30 days from the date of this letter, the United States will foreclose the above described security instruments and pursue any other available remedies.

If your account is referred to the Department of Justice for foreclosure and/or other collection activity after foreclosure, such as a deficiency judgment or enforcing a judgment lien, attorney's fees may be added to your debt as well as a Department of Justice fee of 3 percent.

Full payment may be made in any of the following ways:

A) CASH

Payment should be made by cashier's check, certified check, or postal money order payable to the Farm Service Agency and delivered to the Farm Service Agency at 770 East Sunset Boulevard, Suite 265, Barrigada, Guam 96913. If you submit to the United States any payment insufficient to pay the account in full or insufficient to comply with any arrangements agreed to between the Farm Service Agency and yourself, that payment WILL NOT CANCEL the effect of this notice. If such insufficient payments are received and credited to your account, no waiver or prejudice of any rights which the UNITED STATES may have for breach of any promissory note or covenant in the security instrument will result and the Farm Service Agency may proceed as though no such payment had been made.

B) TRANSFER AND ASSUMPTION

You may transfer the collateral for your loan to someone who is willing and able to assume the debt. Contact FSA immediately if you are interested in this.

C) SALE

You may sell the collateral for your loan for its market value and send the proceeds to FSA or to other creditors with liens prior to FSA's lien. Contact the Loan Analyst immediately if you are interested in this.

D) VOLUNTARY CONVEYANCE


You may convey all of your collateral to the Government. Contact FSA immediately if you are interested in this.

If you have not been advised of your rights to request deferral of payments or other servicing options, you should contact FSA within 15 days of the receipt of this notice.

If you fail to comply with the requirements outlined in this notice within the next 30 days, the United States plans to proceed with foreclosure/liquidation.

YOU DO NOT HAVE ANY RIGHT TO APPEAL THIS DECISION TO ACCELERATE YOUR FSA DEBTS.

UNITED STATES OF AMERICA

BY: 

Theresa L. Correa  
Chief and District Director  
Farm Loan Programs  
Farm Service Agency  
U.S. Dept. of Agriculture

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July 3, 2018

Lucille F. Leon Guerrero  
P.O. Box BL  
Hagatna, GU 96932

Subject: **NOTICE OF ACCELERATION OF YOUR DEBT TO THE  
FARM SERVICE AGENCY AND DEMAND FOR PAYMENT  
OF THAT DEBT**

Dear Ms. Leon Guerrero:

PLEASE NOTE that the entire indebtedness due on the promissory note which evidence the loan received by you from the United States of America, acting through the Farm Service Agency, United States Department of Agriculture is now declared immediately due and payable. It is described as follows:

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Promissory Note	October 7, 1985	\$329,709.47

The promissory note is secured by a security agreement described and perfected as follows:

<u>Security Instrument</u>	<u>Date</u>	<u>Recording Office</u>	<u>Recording Information</u>
Real Estate Mortgage for Guam with Assignment of Rents	October 8, 1985	Territory of Guam, Municipality of Agana	Instrument No. 368527

This acceleration of your indebtedness is made in accordance with the authority granted in the above-described instrument.

The reason for the acceleration of your indebtedness is as follows:

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such advances and any shared appreciation. Unless full payment of your indebtedness is received made by one of the methods described below within 30 days from the date of this letter, the United States will foreclose the above described security instruments and pursue any other available remedies.

If your account is referred to the Department of Justice for foreclosure and/or other collection activity after foreclosure, such as a deficiency judgment or enforcing a judgment lien, attorney's fees may be added to your debt as well as a Department of Justice fee of 3 percent.

Full payment may be made in any of the following ways:

A) CASH

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B) TRANSFER AND ASSUMPTION

You may transfer the collateral for your loan to someone who is willing and able to assume the debt. Contact FSA immediately if you are interested in this.

C) SALE

You may sell the collateral for your loan for its market value and send the proceeds to FSA or to other creditors with liens prior to FSA's lien. Contact the Loan Analyst immediately if you are interested in this.

D) VOLUNTARY CONVEYANCE

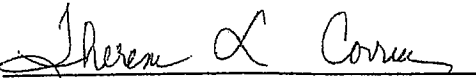
You may convey all of your collateral to the Government. Contact FSA immediately if you are interested in this.

If you have not been advised of your rights to request deferral of payments or other servicing options, you should contact FSA within 15 days of the receipt of this notice.

If you fail to comply with the requirements outlined in this notice within the next 30 days, the United States plans to proceed with foreclosure/liquidation.

YOU DO NOT HAVE ANY RIGHT TO APPEAL THIS DECISION TO ACCELERATE YOUR FSA DEBTS.

UNITED STATES OF AMERICA

BY: 

Theresa L. Correa  
Chief and District Director  
Farm Loan Programs  
Farm Service Agency  
U.S. Dept. of Agriculture

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July 3, 2018

The Estate of Ester Duenas Flores  
P.O. Box BL  
Hagatna, GU 96932

Subject: **NOTICE OF ACCELERATION OF YOUR DEBT TO THE  
FARM SERVICE AGENCY AND DEMAND FOR PAYMENT  
OF THAT DEBT**

Dear Sir or Madam:

PLEASE NOTE that the entire indebtedness due on the promissory note which evidence the loan received by you from the United States of America, acting through the Farm Service Agency, United States Department of Agriculture is now declared immediately due and payable. It is described as follows:

<u>Debt Instrument</u>	<u>Date of Instrument</u>	<u>Original Amount</u>
Promissory Note	October 7, 1985	\$329,709.47

The promissory note is secured by a security agreement described and perfected as follows:

<u>Security Instrument</u>	<u>Date</u>	<u>Recording Office</u>	<u>Recording Information</u>
Real Estate Mortgage for Guam with Assignment of Rents	October 8, 1985	Territory of Guam, Municipality of Agana	Instrument No. 368527

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B) TRANSFER AND ASSUMPTION

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C) SALE

You may sell the collateral for your loan for its market value and send the proceeds to FSA or to other creditors with liens prior to FSA's lien. Contact the Loan Analyst immediately if you are interested in this.

D) VOLUNTARY CONVEYANCE

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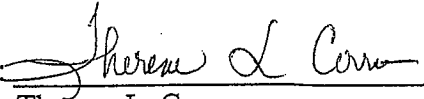
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UNITED STATES OF AMERICA

BY   
Theresa L. Correa  
Chief and District Director  
Farm Loan Programs  
Farm Service Agency  
U.S. Dept. of Agriculture

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July 3, 2018

Roy P. Duenas  
P.O. Box GN  
Hagatna, GU 96932

Subject: **NOTICE OF ACCELERATION OF YOUR DEBT TO THE  
FARM SERVICE AGENCY AND DEMAND FOR PAYMENT  
OF THAT DEBT**

Dear Mr. Duenas:

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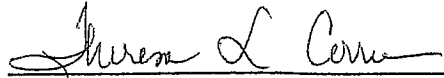
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UNITED STATES OF AMERICA

BY: 

Theresa L. Correa  
Chief and District Director  
Farm Loan Programs  
Farm Service Agency  
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